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THE WHITE HOUSE

WASHINGTON

October 31, 1975

Coors

MEMO FOR: Ron Nessen

FROM: Dudley Chapman *D.C.*

Phil Buchen asked me to give you a copy of
this memorandum.

THE WHITE HOUSE

WASHINGTON

October 30, 1975

MEMORANDUM FOR: PHIL BUCHEN
FROM: DUDLEY CHAPMAN *DC*
SUBJECT: Joseph Coors --
Conflicts of Interest

The Star today carries a story that Joseph Coors' nomination to the Corporation for Public Broadcasting is being tabled because of his refusal to resign from his own television news company.

His nomination was cleared with knowledge of this interest because of the following provisions in the statute:

"The members of the Board (A) shall be selected from among citizens of the United States (not regular full-time employees of the United States) who are eminent in such fields as education, cultural and civic affairs, or the arts, including radio and television;"

* * *

"The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States." (P.L. 90-129 (Attached)
81 Stat. 365, 369-70)

* * *

Since the statute affirmatively mandates the selection of people in the field and, by providing that they shall not be employees of the United States, it exempts them from the conflicts of interest laws, there is no technical conflict involved. This conclusion was reached earlier by Justice in two other cases in which their opinion was asked because of an inquiry from the press.

which will be responsive to the interests of people both in particular localities and throughout the United States, and which will constitute an expression of diversity and excellence;

“(5) that it is necessary and appropriate for the Federal Government to complement, assist, and support a national policy that will most effectively make noncommercial educational radio and television service available to all the citizens of the United States;

“(6) that a private corporation should be created to facilitate the development of educational radio and television broadcasting and to afford maximum protection to such broadcasting from extraneous interference and control.

“Corporation Established

“(b) There is authorized to be established a nonprofit corporation, to be known as the ‘Corporation for Public Broadcasting’, which will not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this section, and, to the extent consistent with this section, to the District of Columbia Nonprofit Corporation Act.

76 Stat. 265.
D.C. Code
29-1001.

“Board of Directors

“(c)(1) The Corporation shall have a Board of Directors (hereinafter in this section referred to as the ‘Board’), consisting of fifteen members appointed by the President, by and with the advice and consent of the Senate. Not more than eight members of the Board may be members of the same political party.

“(2) The members of the Board (A) shall be selected from among citizens of the United States (not regular fulltime employees of the United States) who are eminent in such fields as education, cultural and civic affairs, or the arts, including radio and television; (B) shall be selected so as to provide as nearly as practicable a broad representation of various regions of the country, various professions and occupations, and various kinds of talent and experience appropriate to the functions and responsibilities of the Corporation.

“(3) The members of the initial Board of Directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act.

“(4) The term of office of each member of the Board shall be six years; except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (B) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment, five at the end of two years, five at the end of four years, and five at the end of six years. No member shall be eligible to serve in excess of two consecutive terms of six years each. Notwithstanding the preceding provisions of this paragraph, a member whose term has expired may serve until his successor has qualified.

“(5) Any vacancy in the Board shall not affect its power, but shall be filled in the manner in which the original appointments were made.

“Election of Chairman; Compensation

“(d)(1) The President shall designate one of the members first appointed to the Board as Chairman; thereafter the members of the Board shall annually elect one of their number as Chairman. The members of the Board shall also elect one or more of them as a Vice Chairman or Vice Chairmen.

Term of office.

80 Stat. 499.

“(2) The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Board pursuant to this subpart be entitled to receive compensation at the rate of \$100 per day including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

Officers and Employees

“(e) (1) The Corporation shall have a President, and such other officers as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation. No officer of the Corporation, other than the Chairman and any Vice Chairman, may receive any salary or other compensation from any source other than the Corporation during the period of his employment by the Corporation. All officers shall serve at the pleasure of the Board.

“(2) Except as provided in the second sentence of subsection (c) (1) of this section, no political test or qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Corporation.

Nonprofit and Nonpolitical Nature of the Corporation

“(f) (1) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

“(2) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

“(3) The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

Purposes and Activities of the Corporation

“(g) (1) In order to achieve the objectives and to carry out the purposes of this subpart, as set out in subsection (a), the Corporation is authorized to—

“(A) facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, will be made available to noncommercial educational television or radio broadcast stations, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature;

“(B) assist in the establishment and development of one or more systems of interconnection to be used for the distribution of educational television or radio programs so that all noncommercial educational television or radio broadcast stations that wish to may broadcast the programs at times chosen by the stations;

“(C) assist in the establishment and development of one or more systems of noncommercial educational television or radio broadcast stations throughout the United States;

“(D) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the noncommercial educational television or radio broadcast systems and local stations from interference with or control of program content or other activities.